

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2239 - SB 2181

March 27, 2009

SUMMARY OF BILL: Authorizes any accountant, engineer, architect, landscape architect, or real estate broker, who presents a declaration to the appropriate board attesting that such person's status in their chosen profession is inactive, to not have to pay the occupational privilege tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$544,000

Assumptions:

- According to the Department of Revenue (DOR), establishing a declaration as sufficient evidence for determining inactive professional status loosens the current restriction. As a result, more individuals who currently pay occupational privilege tax will become exempt from paying the tax under this bill.
- According to DOR, there are approximately 13,600 individuals currently paying occupational privilege tax who are registered as accountants, engineers, architects, landscape architects, or real estate brokers.
- Twenty percent (2,720) are estimated to be inactive in their respective profession.
- Of the 2,720 who are inactive, fifty percent (1,360) will present a declaration sufficient for becoming exempt from paying occupational privilege tax.
- The current occupational privilege tax is \$400 per year.
- The occupational privilege tax is a tax for state purposes only.
- The decrease to state revenue is estimated to be \$544,000 per year (1,360 x \$400 = \$544,000).

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc